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SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1989



ENROLLED

HOUSE BILL No. 2674

(By ~~Mr.~~ *Del Methoney + Criss*)



Passed *April 4,* 1989

In Effect *Ninety Days From* Passage

ENROLLED
H. B. 2674

(By DELEGATES METHENEY AND CRISS)

[Passed April 4, 1989; in effect ninety days from passage.]

AN ACT to amend and reenact section one, article eight-a, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to amend and reenact section four, article eight-b of said chapter, all relating to permitting the acquiring of a state bank by an out-of-state holding company, and to allow the banking commissioner to evaluate and investigate a bank holding company so as to permit the holding company to perform financially related services.

Be it enacted by the Legislature of West Virginia:

That section one, article eight-a, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that section four, article eight-b of said chapter be amended and reenacted, all to read as follows:

ARTICLE 8A. ACQUISITION OF BANK SHARES.

§31A-8A-1. Legislative findings and purpose.

1 After a review of the structure of banking organiza-
2 tions in the state of West Virginia and after full
3 consideration of the complex issues involved, the
4 Legislature hereby finds and determines that:

5 (a) Well managed and financially sound banking
6 institutions are essential to the financial well-being of
7 the citizens, and the promotion of the future economic

8 and industrial growth and development of this state;

9 (b) The formation of bank holding companies will
10 strengthen and supplement traditional banking services
11 and facilitate the development of the type of banking
12 institutions that are necessary for the economic and
13 industrial growth and development of this state;

14 (c) It is in the best interests of this state and its
15 citizens for the board to have the power and authority
16 to disapprove the acquisition of a bank by a bank
17 holding company when the board determines that such
18 acquisition would result in a monopoly, substantially
19 lessen competition, or be contrary to the best interests
20 of the shareholders or customers of the bank involved;
21 and

22 (d) The deposits of the citizens of this state are a
23 substantial and valuable resource which should serve
24 the economic and industrial growth and development
25 needs, and the consumer needs of the citizens of this
26 state; and since the board could not effectively make a
27 determination that the control of deposits of the citizens
28 of this state by bank holding companies with any
29 banking subsidiaries located outside this state would be
30 used for the above enumerated local needs of this state's
31 citizenry, a bank holding company with any bank
32 subsidiary located outside this state shall be prohibited
33 from acquiring, directly or indirectly, five percent or
34 more of the interest in, or assets of, any bank or bank
35 holding company located in this state, unless acquired
36 pursuant to section seven of this article.

ARTICLE 8B. COMMUNITY REINVESTMENT ACT.

§31A-8B-4. Assessment of the institution's reinvestment in the community.

1 In connection with its examination or investigation of
2 a banking institution or bank holding company, the
3 commissioner or board shall:

4 (a) Assess the institution's record of meeting the
5 credit needs of its entire community, including low-and
6 moderate-income neighborhoods, consistent with the
7 safe and sound operation of such institution; and

8 (b) Take such record into account in its evaluation of
9 an application for a deposit facility or for permission to
10 engage in financially related services by such institu-
11 tion.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Frederick L. Parker
Chairman Senate Committee

Bernard V. Kelly
Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Frederic C. Nichols
Clerk of the Senate

Donald L. Vapp
Clerk of the House of Delegates

Laura T. Tucker
President of the Senate

Robert C. Bell
Speaker of the House of Delegates

The within *is* approved this the *24th*
day of *April*, 1989.

Gaston Caperton
Governor

PRESENTED TO THE

GOVERNOR

Date 4/11/89

Time 11:45